

The Board of Directors of Infant Bacterial Therapeutics AB (publ) ("IBT") report on the remuneration committee's evaluation of remuneration to senior executives.

The Swedish Code of Corporate Governance states that the board of directors of certain listed companies shall appoint a remuneration committee with the main task to prepare the board's decisions on remuneration principles, remuneration and other terms of employment for senior executives and, where applicable, follow and evaluate ongoing and completed remuneration programs for the year. Furthermore, the committee shall, among other things, monitor and evaluate current remuneration structures and remuneration levels in the company. IBT's Board of Directors has established a Remuneration Committee consisting of Peter Rothschild and Anthon Jahreskog.

Variable remuneration

Variable remuneration may amount to a maximum of 30 per cent of the annual fixed salary.

Incentive programs

In 2017, IBT adopted an incentive program under which the company's senior executives and other employees are given the right to subscribe for B shares in the company with the support of warrants. Such a subscription may take place in the spring of 2022. The development of the program has been followed up to the extent deemed justified.

Guidelines

The guidelines for determining remuneration and other terms of employment for senior executives were evaluated during the year. The Remuneration Committee's assessment is that IBT has followed the guidelines adopted by the Annual General Meeting 2019.

Compensation structure and compensation levels

Furthermore, the Remuneration Committee's assessment is that IBT's current remuneration structures and remuneration levels offer senior executives market-based total compensation that allows qualified executives to be retained and recruited. However, the Remuneration Committee considers that there is a need of increased share-related incentives in the company, which is reflected in the proposal regarding incentive programs that is stated in the notice to the AGM.

Stockholm in May 2020

The Board of Directors of Infant Bacterial Therapeutics AB (publ)